

Exhibit 13

See Petition section on MCLM as Sham Corporation. That augments and in some matters supersedes some comments herein.

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SD and DD are both listed as officers for all of the following entities

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Herein:

When "SD" is used, it means Sandra DePriest (or "Depriest"- herein the same).

When "DD" is means, it means Donal DePriest (or "Depriest"- herein the same).

Notes:

1. This memo covers certain initial review of matters treated herein, and does not represent the sole or final position of law of Petitioners.
2. This was prepared in relation to the WTB letters of inquiry and initial responses.
3. See Petition section on MCLM as Sham Corporation. That augments and in some matters supersedes some comments herein.
4. This was drafted in a word processor format that did not translate properly into Microsoft Word used to complete and integrate this into the Petition. Thus, some formatting may not fully reflect the most clear divisions of texts, citations, etc.

CII'S ANNUAL REPORTS

See Petition section on MCLM as Sham Corporation. That augments and in some matters supersedes some comments herein.

Issues:

- Mississippi law definitions / meaning of “Director” including in annual reports;
- Alleged mistakes and corrections on this annual report, certified as true and correct by Sandra DePriest.
- Time limits on that such alleged correction.
- Outside parties reliance on representations involved.
- Related.

Partial summary

See Petition section on MCLM as Sham Corporation. That augments and in some matters supersedes some comments herein.

Any party who relied on the inaccurate filings to their detriment would be entitled to hold CCI liable for damages resulting from reliance. While legitimate corrections are permitted, no fraudulent filings or specious or spurious corrections can be made. In some cases, reliance has a particular meaning. The Annual Report provides evidence that what was written on it was true, and that the recent attempt to correct the document is part of a plan to mislead the FCC. Some Mississippi statutes that are on point are provided.

Reliance

The concept of reliance, used often in discussions related to the terms below, is circumspect and refers to past action. It equates with the concept of “detrimental reliance” and means “*actual* reliance by one party on the acts or representations of another, causing a worsening of the first party's position.” Generally, reliance refers to a change in position that happened prior to discovery that the representation was false. The FCC can use such filings as evidence of the truth or falsity of a representation, and so can any person in a proceeding such as this.

Corrections to CII Filings: the statutes excerpted below indicate, *inter alia*:

- 1 the corrections can be filed at any time,
- 2 a party who detrimentally relied on an inaccurate filing may hold the filer liable, and that the effective date of the filed document as to the party who relied is the date the correction was filed
- 3 a Secretary is defined as holding a particular position in the corporation (which is how Sandra signed the Annual reports),
- 4 Directors and Officers are defined by the articles or bylaws of the corporation,
- 5 a board of directors is required for every corporation, and at least one director is required for every board
- 6 a director or officer as identified by the corporation must sign the Annual Report
- 7 the resignation of a director is effective on delivery of notice to the board
- 8 the resignation of an officer is effective on delivery of notice to the corp.
- 9 it is an offense to knowingly verify a false statement on the Annual Report

MISSISSIPPI STATUTES AND DEFINITIONS:

§ 79-4-1.40. Definitions in general from Secretary of State filing requirements:

(24) “**SECRETARY**” means the corporate officer to whom the board of directors has delegated responsibility under Section 79-4-8.40(c) for custody of the minutes of the meetings of the board of directors and of the shareholders and for authenticating records of the corporation.

DIRECTORS:

§ 79-4-8.01. Board of directors required by law and given certain powers, but they are elected or appointed and as described in the articles or bylaws

- (a) Except as provided in Section 79-4-7.32, each corporation must have a board of directors.
- (b) All corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation managed by or under the direction of, its board of directors, subject to any limitation set forth in the articles of incorporation or in an agreement authorized under Section 79-4-7.32.

§ 79-4-8.03. Size and election of the board is defined by the articles or bylaws

- (a) A board of directors must consist of one or more individuals, with the number specified in or fixed in accordance with the articles of incorporation or bylaws.
- (b) The number of directors may be increased or decreased, from time to time, by amendment to, or in the manner provided in, the articles of incorporation or the bylaws.
- (c) Directors are elected at the first annual shareholders' meeting and at each annual meeting thereafter unless their terms are staggered under Section 79-4-8.06.

§ 79-4-8.07. Resignation of director from the board is effective immediately upon notice to board

- (a) A director may resign at any time by delivering written notice to the board of directors, its chairman or to the corporation.
- (b) A resignation is effective when the notice is delivered unless the notice specifies a later effective date.

OFFICERS:

§ 79-4-8.40. Generally the officers are defined by the bylaws and appointed by directors

- (a) A corporation has the offices described in its bylaws or designated by the board of directors in accordance with the bylaws.
- (b) The board of directors may elect individuals to fill one or more offices of the corporation. A duly authorized officer may appoint one or more officers if authorized by the bylaws or the board of directors.
- (c) The bylaws or the board of directors shall delegate to one (1) of the officers responsibility for preparing minutes of the directors' and shareholders' meetings and for maintaining and authenticating records of the corporation.
- (d) The same individual may simultaneously hold more than one (1) office in a corporation.

§ 79-4-8.41. Authority and duties of officers defined by bylaws or directors

Each officer has the authority and shall perform the duties set forth in the bylaws or, to the extent consistent with the bylaws, the duties prescribed by the board of directors or by direction of an officer authorized by the board of directors to prescribe the duties of other officers.

§ 79-4-8.43. Resignation of an officer is effective on notice to the board

- (a) An officer may resign at any time by delivering notice to the corporation. A resignation is effective when the notice is delivered unless the notice specifies a later effective time. If a resignation is made effective at a later time and the board or the appointing officer accepts the future effective time, the board or the appointing officer may fill the pending vacancy before the

effective time if the board or the appointing officer provides that the successor does not take office until the effective time.

REQUIREMENTS FOR FILINGS WITH SECRETARY OF STATE

§ 79-4-1.20 (Nearly) All Mississippi Sec. of State docs must be signed by authorized party:

All filings with the Secretary of State “must be executed By the chairman of the board of directors of a domestic or foreign corporation, by its president, or by another of its officers; (2) If directors have not been selected or the corporation has not been formed, by an incorporator” The instructions for the annual report requires the “Signature of an Officer or Agent with power of attorney – The typed signature of an officer or agent must be exactly the same as the name entered in the Officer Section of the filing online, or the name of the agent.”

§ 79-4-1.24. Correction of Documents does not have a time limit, but reliance (see above) is specifically contemplated:

“(a) A domestic or foreign corporation may correct a document filed by the Secretary of State if (1) the document contains an inaccuracy, or (2) the document was defectively executed, attested, sealed, verified or acknowledged, or (3) the electronic transmission was defective. (c) Articles of correction are effective on the effective date of the document they correct except as to persons relying on the uncorrected document and adversely affected by the correction. As to those persons, articles of correction are effective when filed.”

No maximum time is given by statute for a correction, and I did not find a case that addressed the issue.

§ 79-4-16.22. Annual report requires certain inclusions

(a) Each domestic corporation, and each foreign corporation authorized to transact business in this state, shall deliver within sixty (60) days of each anniversary date of its incorporation with respect to a domestic corporation or its authorization to transact business in this state with respect to a foreign corporation, or such other date as may be established by the Secretary of State, to the Secretary of State for filing an annual report that sets forth:

- (1) The name of the corporation and the state or country under whose law it is incorporated;
- (2) The address of its registered office and the name of its registered agent at that office in this state;
- (3) The address of its principal office;
- (4) The names and business addresses of its directors and principal officers;
- (5) A brief description of the nature of its business;
- (6) The total number of authorized shares, itemized by class and series, if any, within each class; and
- (7) The total number of issued and outstanding shares, itemized by class and series, if any, within each class.

(b) Information in the annual report must be current as of the date the annual report is executed on behalf of the corporation.

(c) If an annual report does not contain the information required by this section, the Secretary of State shall notify promptly the reporting domestic or foreign corporation in writing and return the report to it for correction. If the report is corrected to contain the information required by this section and delivered to the Secretary of State within thirty (30) days after the effective date of notice, it is deemed to be timely filed.

§ 79-4-1.25. Role of Secretary of State is ministerial and does not validate the filings:

(d) The Secretary of State's duty to file documents under this section is ministerial. His filing or refusing to file a document does not: (1) Affect the validity or invalidity of the document in whole or part; (2) Relate to the correctness or incorrectness of information contained in the document; (3) Create a presumption that the document is valid or invalid or that information contained in the document is correct or incorrect.

§ 79-4-1.29. Knowingly signing false document is an offense

(a) A person commits an offense if he signs a document he knows is false in any material respect with intent that the document be delivered to the Secretary of State for filing.

(b) An offense under this section is a misdemeanor punishable by a fine of not to exceed Five Hundred Dollars (\$500.00).

DEFINITION OF CERTAIN TERMS:

See Petition section on MCLM as Sham Corporation. That augments and in some matters supersedes some comments herein.

The following definitions are provided by the Black's Law Dictionary. After the definitions, there is an outline of how the relevant state courts define the terms, or use them to identify control or liability.

Related concepts of apparent and implied authority are discussed at length in case law.

BLACK'S LAW DICTIONARY

Also see Petition section on MCLM as Sham Corporation. That augments this definition..

Manager

-“a person who administers or supervises the affairs of a business, office, or other organization.”

-“A member of a board of managers; DIRECTOR (2). see BOARD OF DIRECTORS.”

Director

- One who manages, guides, or orders; a chief administrator.

- A person appointed or elected to sit on a board that manages the affairs of a corporation or other organization by electing and exercising control over its officers. — Also termed trustee. See board of directors . Cf. officer (1).

Officer *(but the Petition text far more fully treats this issue)*

officer. 1. . . . In corporate law, the term refers esp. to a person elected or appointed by the board of directors to manage the daily operations of a corporation, such as a CEO, president, secretary, or treasurer. Cf. director (2). [Cases: Officers and Public Employees 1. C.J.S. Officers and Public Employees §§ 1–9, 12–17, 21.]

corporate officer. An officer of a corporation, such as a CEO, president, secretary, or treasurer. [Cases: Corporations 296. C.J.S. Corporations §§ 460, 468–469.]

acting officer. One performing the duties of an office — usu. temporarily — but who has no claim of title to the office. [Cases: Officers and Public Employees 77. C.J.S. Officers and Public Employees § 6.]

officer de facto (di fak-toh). 1. An officer who exercises the duties of an office under color of an appointment or election, but who has failed to qualify for office for any one of various reasons, as by being under the required age, having failed to take the oath, having not furnished a required bond, or having taken office under a statute later declared unconstitutional. [Cases: Officers and Public Employees 39. C.J.S. Officers and Public Employees §§ 339, 341, 343, 347.] 2. Corporations. One who is acting under color of right and with apparent authority, but who is not legally a corporate officer. • The corporation is bound by all acts and contracts of an officer de facto in the same way as it is with those of an officer de jure. — Also termed de facto officer. [Cases: Corporations 289. C.J.S. Corporations §§ 458–459.]

officer de jure (di juur-ee). 1. An officer who exercises the duties of an office for which the holder has fulfilled all the qualifications. [Cases: Officers and Public Employees 35. C.J.S. Officers and Public Employees § 58.] 2. A duly authorized corporate officer. — Also termed de jure officer.

Control - n

The direct or indirect power to direct the management and policies of a person or entity, whether through ownership of voting securities, by contract, or otherwise; the power or authority to manage, direct, or oversee <the principal exercised control over the agent>.

superintending control. The general supervisory control that a higher court in a jurisdiction has over the administrative affairs of a lower court within that jurisdiction. [Cases: Courts 204.]

working control. The effective control of a corporation by a person or group who owns less than 50% of the stock. [Cases: Corporations 174. C.J.S. Corporations § 307.]

Control – v

1. To exercise power or influence over <the judge controlled the proceedings>.
2. To regulate or govern <by law, the budget office controls expenditures>.
3. To have a controlling interest in <the five shareholders controlled the company>.

1Real party in interest rule

areal-party-in-interest rule. The principle that the person entitled by law to enforce a substantive right should be the one under whose name the action is prosecuted. Fed. R. Civ. P. 17(a).

Party

real party in interest. A person entitled under the substantive law to enforce the right sued upon and who generally, but not necessarily, benefits from the action's final outcome. — Also termed party in interest; (archaically) interessee. Cf. nominal party. [Cases: Federal Civil Procedure 131; Parties 6(2). C.J.S. Parties §§ 23–24.]

“[T]he ‘real party in interest’ is the party who, by the substantive law, possesses the right sought to be enforced, and not necessarily the person who will ultimately benefit from the recovery.... The concept of real party in interest should not be confused with the concept of standing. The standing question arises in the realm of public law, when governmental action is attacked on the ground that it violates private rights or some constitutional principle.

Successor in interest

One who follows another in ownership or control of property. • A successor in interest retains the same rights as the original owner, with no change in substance.

Successor

- successor. 2. A corporation that, through amalgamation, consolidation, or other assumption of interests, is vested with the rights and duties of an earlier corporation. [Cases: Corporations 445.1, 589–590. C.J.S. Corporations §§ 657, 809–810.]
aparticular successor. Civil law. One who succeeds to rights and obligations that pertain only to the property conveyed.

- singular successor. One who succeeds to a former owner's rights in a single piece of property.

- statutory successor. One who succeeds to the assets of a corporation upon its dissolution; specif., the person to whom all corporate assets pass upon a corporation's dissolution according to the statute of the state of incorporation applicable at the time of the dissolution. See Restatement (Second) of Conflict of Laws § 388 cmt. a (1971). [Cases: Corporations 619. C.J.S. Corporations §§ 863–865.]

Predecessor

1. One who precedes another in an office or position. 2. An ancestor.

Apparent Authority

Authority that a third party reasonably believes an agent has, based on the third party's dealings with the principal, even though the principal did not confer or intend to confer the authority. • Apparent authority can be created by law even when no actual authority has been conferred. — Also termed ostensible authority; authority by estoppel. [Cases: Principal and Agent 99. C.J.S. Agency §§ 153–164.]

“The term ‘apparent authority’ means that a legal power is vested in the agent in the absence of any intention by the principal that it should exist, or even in spite of his intention that it should not exist. The operative facts causing this power to exist are acts of the principal which, considered along with surrounding facts, induce the third person with whom the agent deals to believe reasonably that the principal intended the power to exist. The power is real and not merely apparent. The agent is indeed a wrongdoer in exercising the power. He possesses the power but not the legal privilege of using it. Likewise, the authority (meaning the action of the principal creating the agent's power) is real. It is only the intention of the principal to create such a power that is merely apparent (i.e., non-existent).” William R. Anson, *Principles of the Law of Contract* 510 n.1 (Arthur L. Corbin ed., 3d Am. ed. 1919).

Implied Authority

Authority intentionally given by the principal to the agent as a result of the principal's conduct, such as the principal's earlier acquiescence to the agent's actions.

DELAWARE LAW

MCLM is a limited liability company organized under the laws of Delaware, and specifically subject to the Delaware Limited Liability Company Act.

That LLC Act recognizes 2 levels of control, member and manager.

Delaware LLC Act § 18-110(c) As used [when the Delaware Chancery Court makes a determination regarding who is the proper manager of an LLC], the term “manager” refers to a person: . . . b. Whether or not a member of a limited liability company, who, although not a manager as defined in § 18-101(10) of this title, participates materially in the management of the limited liability company;

FCC should have asked for LLC agreement and all other corporate documents of MCLM and related entities.

The definition of manager includes two categories of persons:

- Anyone defined by the LLC Agreement as a manager of the LLC, which according to Mrs. DePriest includes only her (though the operating agreement has not been provided)
- And anyone who exercises control, whether identified by LLC agreement as manager or not

- Donald DePriest (DD) repeatedly identifies himself as manager, except in the FCC filings.

- DD repeatedly admits or alleges under oath that he is a manager of MCLM.

- He signs legal documents as Manager of Communication Investments, Inc., MCLM’s controlling company.

- Aside from his regular statements that he is a manager, DePriest also exercises control through debt instruments and in the day to day business

- He is in control financially

- He guarantees loans that amount to a large fraction of the company’s total worth

- He finances company with his business associates

- And he spearheads the defense of his company against costly litigation and substantial potential liability

i) During this case he testifies under oath that he is in control

ii) Likewise his opponent in these cases testifies that Donald DePriest controls MCLM and MariTEL

- He signs legal documents, as does his executive assistant

- She testified that she is his executive assistant

- She signs - Belinda Hudson – treasurer of Communications Investments, Inc., on both promissory note and verification to notary public

- Etc.

Thus, Donald DePriest routinely warrants to third-parties and several courts that he is a manager, he personally guarantees huge loans to secure the financial health of the company, he is responsible for the payment of those loans and therefore controls the financial health of the company, he enters contracts, he signs documents as manager, president, director of MCLM’s controlling entity, and his executive assistant signs documents as the treasurer of MCLM’s controlling entity.

Under the law of Delaware, Donald DePriest is a manager of the LLC.

Apparent Authority

“It is the law of this State that when, in the usual course of the business of a corporation, an officer or agent has been allowed to manage certain of its affairs, and when this is known to the other party to the contract, the authority of the officer to act for the corporation is implied from the past conduct never challenged by the corporate officials.

Hessler, Inc. v. Farrell, Del.Supr., 226 A.2d 708 (1967).” Colt Lanes of Dover, Inc. v. Brunswick Corp., 281 A.2d 596, 601 (Del. 1971)

Donald DePriest exercised routine management authority over the affairs of MC/LM, and his authority to act on behalf of the company was never challenged, even during the provision of sworn testimony.

In this context, in my opinion, “implied” is not equivalent to “apparent,” i.e. “Implied” is not an estoppel variant but an actual intentional bestowal of authority through knowledgeable inaction.

MISSISSIPPI LAW

Communications Investments, Inc. is incorporated under laws of Mississippi

Miss. Bus. & Corp. Act. § 79-4-8.01: Board Required; role

(a) Except as provided in Section 79-4-7.32, each corporation must have a board of directors.

(b) All corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation managed by or under the direction of, its board of directors, subject to any limitation set forth in the articles of incorporation or in an agreement authorized under Section 79-4-7.32.

DePriest is listed as Director and President in official filings:

- And unless he produces the articles of incorporation that expressly indicate otherwise (per the provisions of Section 79-4-7.32), Donald DePriest was in control of Communications Investments, Inc. until at least February 2005 (the date of his resignation) due to operation of statute.

Apparent Authority, Actual Exercise of Control

And in November 2005, well after he claims to have resigned, DePriest signs promissory notes as manager: Even if no actual authority pursuant to articles of incorporation, he had represented himself as a manager, entered into contracts as a manager, the corporation never contradicted his representations, and he therefore had apparent authority and could bind the corporation through that authority – He both (1) had de facto control and (2) exercised it.

From relevant Mississippi case law:

“We adhere to this view, and hold that an executive officer of a close corporation such as Lilly, in carrying on the usual business of the corporation has the same apparent authority as a partner in a partnership as against third parties who in good faith rely upon his representation.” **Baxter Porter & Sons Well Servicing Co., Inc. v. Venture Oil Corp., 488 So. 2d 793, 796 (Miss. 1986).**

“Moreover, in this case, this Court can have little sympathy for the position these defendants take. Harris Corporation and Venture occupied the same suite of offices, had the same man as president, the same man as vice president of each, and an interlocking directorate. To attempt, in a situation as this, after substantial services have been performed, to channel all liability to one corporation and completely relieve the other

poses too many opportunities for chicanery to expect relief from us.” **Baxter Porter & Sons Well Servicing Co., Inc. v. Venture Oil Corp.**, 488 So. 2d 793, 796 (Miss. 1986). i“In the [1951] recent case of **White's Lumber and Supply Company v. Collins**, 186 Miss. 659, 674-675, 191 So. 105, 107, 192 So. 312, this Court said ‘The powers of a general manager of a corporation, insofar as concerns third persons without notice to the contrary, are coextensive with the carrying on as a going concern of all the business of the company. **Allen Gravel Company v. Nix**, 129 Miss. 809, 93 So. 244; **Lake Shore, & M. S. R. Company v. Pierce [Prentice]**, 147 U.S. 101, 114, 13 S.Ct. 261, 37 L.Ed. 97, 103.” **Burnett's Lumber & Supply Co. v. Commercial Credit Corp.** 211 Miss. 53, 60-61, 51 So.2d 54, 58 (Miss. 1951)

Donald DePriest represented to others that he had control for the specific purpose of exercising control, knowing as a experienced businessman that he had the power to bind the corporation. He therefore exercised actual control of Communications Investments, Inc., regardless of whether he was listed as president or director in the articles of incorporation.

Chancery Court of Mississippi

Exhibit A

November 15, 2007

DePriest alleges that Phillips, DePriest, the two business entities sued in these cases, and numerous other business entities were involved in numerous interrelated and intertwined business transactions."

DePriest asserts a partnership: "The ultimate question is: did the parties intend to do the acts that in law constitute partnership?" Id. The fiduciary relationship is created not because an individual partner controls the partnership, but because the partners are placed into a relationship of trust and confidence which could be subject to abuse.

Alleges that Phillips has control over DePriest's business dealings

Phillips also alleges joint ventures: "Two of Phillips' complaints, 2007-0091 and 2007-0096, are premised on a joint venture between the parties. Taking the facts alleged by DePriest as true, for the purposes of this motion, a partnership exists."

From the Affidavit of Stephanie Smith, CPA

The documents reveal that Phillips and DePriest commingled their borrowings, their creditworthiness, and their business efforts in many cases without documenting rights and obligations.

Exhibit B

DePriest grants options in MCLM stock to several individuals

Phillips became 10% owner of Charisma, which was never reported

Phillips testifies in court that MCLM and MariTEL are Donald DePriest's companies.

Circuit Court of Mississippi

June 26, 2007

- DePriest admits that he is manager of MCLM in answer to complaint

Aug 27, 2007

- DePriest and MCLM answer the complaint together, and are represented by the same lawyers

- Admits that he is manager of MCLM
- Alleges that Phillips is an affiliate, partner, controller of his businesses, and fiduciary (which means “has control of sensitive financial or business affairs”)

ATENNESSEE LAW

MariTEL, Inc. incorporated under laws of Tennessee

Tenn. Corporations and Associations: For Profit Business Corporations: Directors and Officers: Board of Directors:

§ 48-18-101. Requirement to have board of directors; exercise of corporate powers

- (a) Except as provided in subsection (c), each corporation must have a board of directors.
- (b) All corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation managed under the direction of, its board of directors, subject to any limitation set forth in the charter.
- (c) A corporation having fifty (50) or fewer shareholders may dispense with or limit the authority of a board of directors by describing in its charter who will perform some or all of the duties of a board of directors; provided, that any such person or persons shall be subject to the same standards of conduct that this chapter imposes on directors in the performance of their duties.

As with Communications Investments, Inc. above, unless Donald DePriest can produce some controlling document that vested the powers of the board in some other person, he was given control of the corporation by statute.

DePriest’ statement that he did not exercise control over the president is irrelevant in this case: he had legal control, even if he didn’t participate in the management of the corporation.

According to his own letter, “affiliation exists when the applicant has the power to control a concern while at the same time another person or persons are in control of the concern at the will of the party or parties with the power to control.” DePriest letter in response, page 9, citing Section 1.2110(c)(5)(b).

The president served at the will of the board, and DePriest was Executive Director. DePriest clearly had De Jure control over the corporation by virtue of his status as executive director

Therefore he had legal control even if he didn’t exert it. However, MariTEL asserts that he did in fact exert his control, and that he had majority ownership, including a substantial amount of debt instruments, until 2008

See Maritel’s letter in response in which Maritel outlines substantial actual control, financial control and involvement, and de jure control

So, DePriest was named as a director with no evidence of divestiture of powers, owned the majority of the outstanding stock, and has only his bare statement that he chose not exercise control as a defense (along with the absurd assertion that he didn’t know he was in control).

Implied vs. Express Authority

Donald DePriest had either express or implied authority to conduct the business of MC/LM and Communications Investments, Inc. He personally guaranteed the financial health of the businesses, and he delegate to his executive secretary the authority to sign as treasurer. As noted above, at no point did either company attempt to dispute his actions or his apparent authority.

“In Tennessee, an agent's express authority is that which the principal gives to him in direct terms, either orally or *743 written. Hollingshead Co. v. Baker, 4 Tenn.App. 362, 1926 WL 2125, at *4 (Tenn. Ct.App. Dec 7, 1926) (citing Southern Ry. Co. v. Pickle, 138 Tenn. 238, 197 S.W. 675, 677 (Tenn.1917)). Implied authority, as distinguished from expressed, embraces all powers which are necessary to carry into effect the granted power, in order to make effectual the purposes of the agency. Id.” **Rubio v. Precision Aerodynamics, Inc.** 232 S.W.3d 738, 742 -743 (Tenn.Ct.App.,2006)

“An authority to delegate an agent's authority may ... be implied from the nature of the agent. If the nature of the business, the conduct of which is submitted to an agent, is such that it must be contemplated by the principal that the authority conferred on the agent will be exercised through subagents, a power in the agent to delegate that authority will be implied. This is substantially the principal adopted by the American Law Institute. (Restatement, Agency, Section 80, and Section 77.) For example, it is generally agreed that the employment of an agent making collection at a different place gives the agent the implied power to appoint a subagent.... Authority to manage the business will ordinarily carry with it the authority to employ such subagents as may be required for the purpose of enabling its agents to carry on the business to the best advantage. Armstrong v. Bowman, 21 Tenn.App. 673, 115 S.W.2d 229, 234 (Tenn.Ct.App.1937) (quoting 2 Am.Jur., § 197, p. 156).FN3” **Rubio v. Precision Aerodynamics, Inc.** 232 S.W.3d 738, 743 (Tenn.Ct.App.,2006)

Chancery Court – Tennessee

Exhibit A

October 17, 2007

DePriest - guarantor of debt of MCLM,
Belinda Hudson – treasurer of Communications Investments, Inc., on both promissory note and verification to notary public

She is actually D. DePriest’s executive secretary – D. DePriest delegated the authority to sign these instruments

DePriest – manager of Communications Investments, Inc. General Partner MCLM

DePriest – power to ensure payment from MCLM

DePriest - admits that he is officer of MCLM in verified answer to complaint

DePriest – admits that he can enter contracts, sign legal docs, and guarantee debts for MCLM in verified answer to complaint

LETTERS AND RESPONSES

SANDRA DEPRIEST LETTER (to WTB)

Initial observations.

As a preliminary matter, it is apparent that millions of dollars in value are at stake – the letter provided in response is anemic, and clearly indicates that Mrs. DePriest expects to have this sail through after the fashion of their previous encounters with the FCC.

Mrs. DePriest is evasive in several ways.

First, the letter was written by the attorney she shares with Donald DePriest, which is noted. Despite this fact, the letter routinely states “I have no firsthand knowledge.” This is evasive because the requests from the FCC do not request non-hearsay testimony, and instead directly ask for information that her attorney clearly has. Every time the letter equivocates based on the assertion that she just doesn’t know, she is attempting to evade the question.

Second, the use of “Sandra DePriest” or “I” is also an attempt at evasiveness. The letter clearly tries both to claim lack of personal knowledge when that is useful, and also to position Sandra DePriest as a passive participant in her lawyer’s response when that is useful.

Third, her claim that she doesn’t have firsthand knowledge is largely false. The Mississippi Secretary of State lists her as an officer of all of the following companies that appear on Mr. DePriest’s list of controlled entities: Cellular and Broadcast Communications, Inc.; Tupelo Corporation; Penelore Corporation (see lawsuit against); Scotland House; Bravo Communications, Inc.; Charisma Communications, Inc.; Golden Triangle Radio, Inc. Her first answer states that she will only respond as to the entities with which she is involved, but none of this list of corporations is mentioned. Her answer clearly implies that she is not involved in the other entities. This list only includes those entities listed on the MS Sos website, and is not exhaustive.

And her opening paragraph clearly states that she is only involved in two for-profit businesses – MC/LM and Choctaw B&B. That is clearly false. These businesses listed in ¶3 are not charitable organizations, and SD is listed as an officer, not just an agent.

All of the financial information is essentially unverifiable – no audited financial reports are provided. In fact, there is no way to accurately identify the corporations referred to; the letter does not provide a state of incorporation or a federal tax ID. Any investigation into the veracity of the claims would be quite laborious and filled with uncertainty.

It is misleading to state that Medcom had no sales or gross receipts – it is identified as an investment vehicle.

The incumbency certificate for MC/LM, attached as Exhibit A, is incomplete. It should contain several exhibits that were omitted, including the articles of organization, operating agreement, and certificate of existence.

Each time she responds that “question calls for a legal conclusion” she is being evasive: she was already required to form the conclusion and to verify it when applying in the first

place. The FCC requires the applicant to make these decisions and to report them. Furthermore, a lawyer is responding to a legal body on behalf of another lawyer. Legal conclusions should be the order of the day. SD can't avoid the question by stating that she is unqualified to provide a legal opinion.

Again, she makes the general statement that the financial circumstances of the listed companies could not have affected the outcome (a legal opinion to be sure) but then fails to provide any verifiable financial data or audited financial reports.

Ownership interest: MC/LM's website states that "Maritime Communications/Land Mobile, LLC ("MCLM") was formed in 2005 to acquire, operate and lease exclusive licensed spectrum issued by the Federal Communications Commission ("FCC"). These licenses are designated by the FCC as Automated Maritime Telecommunications Service ("AMTS") licenses." SD's letter states that Medcom preceded CCI, and the application states that CCI is controller of MC/LM. DD's letter states that he controlled Medcom, and that Medcom was an investment vehicle only. SD's letter states that Medcom had no revenue, but that MCT Investors, LP paid management fees to Medcom in 2002 and 2003. The combination of these facts reveals that Mr. DePriest controlled both Medcom and MCT Investors, which, together with their successors, controlled (and very likely organized) MC/LM for the purpose of acquiring the licenses here at issue. Failing to reveal this control was intentional - there is no possibility that it was an oversight. Every statement that Mr. DePriest has never had an ownership interest in MC/LM is misleading, at best.

DONALD DEPRIEST LETTER (to WTB)

Initial observations.

Again, this effort is unworthy of the amount possibly at stake in this investigation, reveals deliberate concealment.

DD's answer contains all of the same flaws that SD's answer does. Specifically, he fails to include any verifiable financial information, and doesn't even provide enough information to identify the entities he lists with any accuracy.

Makes same statements re legal conclusions: however, both he and the attorney who drafted the response are required to have an opinion and to provide a conclusion just as they would in the original application.

Makes the fantastic statement that Medcom is (a) an investment vehicle only, and (b) that it received \$2,500,000 in compensation for expenses. For an investment vehicle, expenses are *investments* and the compensation for expenses is *return on investment*. In the absence of some financial report showing that the investments were quite expensive, or that the %ROI was quite low, this paragraph basically states that the controlling entity of MC/LM made \$3 mil in the three years prior to the application.

The combined affiliate that is listed here for DD alone is \$7,184,992 (using earlier report by MariTEL made to the FCC for its earnings).

DD's responses regarding his interest in MariTEL are deliberately misleading. MariTEL's response provides a much more complete picture.

Misleading because he doesn't differentiate between direct, indirect, voting and non-voting.

He doesn't identify the "other parties" who had between 800,000 and 3 million options. Given his track record, it could easily have been a company he controls. He provides no way to verify the assertion.

He claims that even though he was the de jure head of the corporation, that he did not exercise control over his appointees.

He then makes the convincing argument that it is the existence of control that matters, not whether one wields it.

He also makes a convincing argument that control can arise in many different ways. This is important because MariTEL's response identifies all the ways in which he had actual control, including holding substantial debt leverage over the company.

And the debt leverage he held is not revealed by him to the FCC.

Ownership of MC/LM: see above

Statement that he has not been an officer or a director and have had no role in the management of Communications Investments, Inc. after Feb. 2005 is belied by his signatures on the promissory notes in November 2005 - he identifies himself as manager, and in the follow on litigations, in which he identifies himself as manager.

On those notes, he states that he is a manager, and he personally guarantees the large loans to MC/LM (FCC should follow money trail).

DePriest states that he has had no involvement in Communications Investment, Inc. since Feb 18, 2005, but he issued a warrant to Fred Goad for purchase of shares as Manager of Communications Investments, Inc., MCLM's controlling company, on November 2, 2005.

November 2, 2005, is the same day that he executed a personal guarantee for \$400,000 loaned to MCLM.

Finally, the end of his letter makes the compelling case that he should have known what he was doing. He lists his many years of experience with the FCC and companies of this nature. Furthermore, it makes that case that his response that he is unqualified to render a legal conclusion is simply false, since he very likely has as much experience with the rules as the person who will review his response to the investigation.

NOTES

Ms. DePriest's signature appears on none of the documents, and she does not appear to take active role in defending the company from litigation.

Don DePriest delegate his managerial powers to Belinda Hudon (who testified in court that she was his "executive assistant" for over 20 years), which is permitted under DE LLC Act § 18-407.

Belinda Hudson, acting on his authority, signed promissory notes as “Treasurer” for MCLM. In any action brought against MCLM on those notes, it would be estopped from denying that she is the treasurer.

The following lists show that Sandra DePriest should be very familiar with many of the companies that Don DePriest controls. If they make the argument that she is only a figure head in the other entities, that supports our argument that she is so in MC/LM. If they don’t, then they would have to admit that she was aware of the other companies when she completed her application.

SD and DD are both listed as officers for all of the following entities

(some are inactive, but many still file report)(this is just the list from SOS in Mississippi – doesn’t include entities from other states):

List of corporate entities for which Donald DePriest is listed as officer in Mississippi.

List of corporate entities for which Sandra DePriest is listed as officer in Mississippi.